

11. SPECIAL NOTICE. THE AGENTS ASSUME NO RESPONSIBILITY FOR THE CONDITION OF THE PROPERTY NOR FOR THE PERFORMANCE OF THIS CONTRACT BY ANY OR ALL PARTIES HERETO. PURCHASER HEREBY WARRANTS AND REPRESENTS UNTO THE REAL ESTATE BROKERS HEREIN THAT NO AGENT, SERVANT OR EMPLOYEE OF SAID REAL ESTATE BROKERS HAS MADE ANY STATEMENT, REPRESENTATION OR WARRANTY TO THEM REGARDING THE CONDITION OF THE PREMISES OR ANY PART THEREOF UPON WHICH PURCHASER HAS RELIED AND WHICH IS NOT CONTAINED IN THIS CONTRACT.

12. FORFEITURE OF DEPOSIT/LEGAL REMEDIES. If the Purchaser shall fail to make full settlement, the deposit herein provided for may be forfeited at the option of the Seller, in which event the Purchaser shall be relieved from further liability hereunder. If the Seller elects not to forfeit the deposit, Seller shall notify the Purchaser and the Agent in writing within 30 days from the date provided for settlement herein of his election to avail himself of any legal or equitable rights which he may have under this contract, other than the said forfeiture. In the event that the Seller elects not to forfeit the deposit, said deposit shall be returned by the Agent holding the same to the Purchaser, and the Agent shall not be liable to the Seller for return of said deposit. In the event of the forfeiture of the deposit, or if the Seller shall fail to take any action or fail to pursue any legal or equitable remedies, then and in that event, the Seller shall pay the Agent as compensation for his services one-half of the amount of the deposit, said amount not to exceed the amount of the full brokerage fee. If after a breach by the Purchaser, the Seller shall release the Purchaser from liability hereunder or authorize refund of the deposit monies, the Seller shall pay the Agent as compensation for his services one-half of the amount of the Purchaser's deposit not to exceed the amount of the full brokerage fee. If after a breach by the Purchaser, the Seller obtains an award of damages by a court, or enters into a compromise agreement with the Purchaser, the Seller shall pay the Agent one-half thereof, said amount not to exceed the amount of the full brokerage fee, but said amount shall not be less than one-half of the deposit in the event of a compromise agreement. If the Agent is required to participate in any legal proceedings, either as Plaintiff, Defendant or Third Party, Seller agrees to pay reasonable attorneys' fees for Agent's own attorney.

13. TITLE. The property, including the aforesaid chattels, is sold free of encumbrances except as stated herein. Any financing statements will be paid and released by Seller at time of settlement. Title is to be good of record, merchantable and insurable, subject, however, to covenants, rights of way, easements, conditions and restrictions of record, if any, otherwise the deposit is to be returned and sale declared off at the option of the Purchaser, unless the defects are of such a character that they may be remedied by legal action within a reasonable time, but the Seller and Agent are hereby expressly released from all liability for damages by reason of any defect in the title. In case legal steps are necessary to perfect the title, such action must be taken promptly by the Seller at his own expense whereupon the time herein specified for full settlement by the Purchaser will thereby be extended for the period necessary for such prompt action.

14. PERFORMANCE. Settlement is to be made at the office of the Attorney or the Title Company examining the title. Delivery to the Attorney or to the Title Company of the cash payment and settlement costs as herein stated, the executed deed of conveyance and such other papers as are required of either party by the terms of this contract shall be considered good and sufficient tender of performance in accordance with the terms hereof. It is agreed that funds arising out of this transaction at settlement may be used to pay off any existing encumbrances, including interest, as required by lender.

15. ADJUSTMENTS. Rents, taxes, water, sewer charges, oil, escrow, insurance and interest on existing encumbrances, if any, are to be adjusted to date of settlement. Taxes, general and special, are to be adjusted according to the certificate of taxes issued by the collector of taxes, if any, except that assessments for improvements completed prior to the date of acceptance hereof, whether assessment therefor has been levied or not, shall be paid by the Seller or allowance made therefor at time of settlement. If the property is serviced by the Washington Suburban Sanitary Commission or a local government, annual benefit charges and sewer and water tap fees of said Commission or local government are to be adjusted to date of settlement and assumed thereafter by Purchaser (except as provided in paragraph 26). For initial purchases of improved residential property in Montgomery and Prince Georges Counties, Maryland, the estimated cost of any deferred water and sewer connection charges for which the Purchaser assumes liability are disclosed under paragraph 8 hereof, or in the addendum attached hereto.

16. CONVEYANCE. Seller agrees to execute and deliver a good and sufficient special warranty deed. Purchaser agrees to have the deed of conveyance recorded promptly.

17. INSURANCE. The risk of loss or damage to said property by fire or other casualty until the deed of conveyance is recorded is assumed by the Seller.

18. PROPERTY CONDITION. The Seller at the time of settlement or occupancy (whichever occurs first) will leave premises free and clear of trash and debris and broom clean. The electrical, plumbing, heating, air conditioning (excluding portable units) and any other mechanical systems and related equipment included in this contract shall be in operating condition. The Seller will deliver the premises in substantially the same physical condition as of date of final ratification. Purchaser has the privilege of a pre-settlement inspection of all the premises. Except as expressly contained herein, no other warranties are made by the Seller or Agent nor relied upon by the Purchaser.

19. POSSESSION. Seller agrees to give possession and occupancy at time of settlement, and in the event he shall fail to do so he shall become and be thereafter a tenant by sufferance of the Purchaser and hereby waives all notice to quit as provided by the laws effective in the state in which the property is located. All notices of violations of orders or requirements noted or issued by any governmental authority, or actions in any court on account thereof, against or affecting the property at the date of settlement of this contract, shall be complied with by the Seller, and the property conveyed free thereof.

20. SUBDIVISION PLAT (MONTGOMERY COUNTY, MARYLAND ONLY). THE PURCHASER HEREBY WAIVES THE RECEIPT OF AN ENTIRE COPY OF THE SINGLE RECORDED SUBDIVISION PLAT. PRIOR TO OR AT THE TIME OF SETTLEMENT, THE PURCHASER SHALL BE PROVIDED WITH A COPY OF SAID SUBDIVISION PLAT WHERE REQUIRED. IF THE PROPERTY SOLD HEREIN IS AN UNIMPROVED LOT OR A NEW DWELLING, THE PURCHASER ACKNOWLEDGES RECEIPT OF SAID SUBDIVISION PLAT PRIOR TO EXECUTION OF THE CONTRACT.

21. GENERAL MASTER PLANS (MONTGOMERY COUNTY, MARYLAND ONLY). THE PURCHASER ACKNOWLEDGES THAT HE HAS BEEN APPRISED OF HIS RIGHTS TO REVIEW THE APPLICABLE MASTER PLAN AND THE WEDGES AND CORRIDORS GENERAL PLAN FOR THE BICOUNTY REGION INCLUDING MAPS SHOWING PLANNED LAND USES, ROADS AND HIGHWAYS, AND THE LOCATION AND NATURE OF PROPOSED PARKS AND OTHER PUBLIC FACILITIES AFFECTING THE PROPERTY HEREIN DESCRIBED PRIOR TO EXECUTION OF THIS CONTRACT. HE ACKNOWLEDGES THAT HE HAS REVIEWED SAID APPLICABLE PLANS PRIOR TO EXECUTING THIS CONTRACT OR DOES HEREBY WAIVE HIS RIGHT TO DO SO. THE PURCHASER ALSO ACKNOWLEDGES THAT THE REAL ESTATE AGENT HAS ADVISED HIM OF THE RELATIVE LOCATION OF ANY AIRPORT OR HELIPORT EXISTING WITHIN A FIVE-MILE RADIUS OF THE PROPERTY.

THE PURCHASER ACKNOWLEDGES THAT HE IS AWARE THAT THE APPLICABLE PLAN OR GENERAL PLAN FOR MONTGOMERY COUNTY IS AVAILABLE AT THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION AND THAT AT NO TIME DID THE AGENT EXPLAIN TO HIM THE INTENT OR MEANING OF SUCH A PLAN NOR DID HE RELY ON ANY REPRESENTATIONS MADE BY THE AGENT PERTAINING TO THE APPLICABLE MASTER PLAN OR GENERAL PLAN.

22. THE PLAN, GENERAL MASTER PLANS (CITY OF ROCKVILLE, MARYLAND, ONLY). The Purchaser acknowledges that he has been afforded the opportunity to examine the Plan for the City of Rockville, including maps showing planned land uses, roads and highways, and the location and nature of proposed parks and other public facilities affecting the property herein described prior to the execution of this contract. Purchaser further acknowledges that the property Owner's real estate Agent has provided said opportunity to examine the Plan by either producing and making available for examination a copy of the Plan or escorting the Purchaser to a place where the Plan is available for examination by the Purchaser. The Purchaser also acknowledges that the property Owner's real estate Agent has advised him of the relative location of any airport or heliport existing within a five (5) mile radius of the property. The Purchaser acknowledges that at no time did the Agent explain to him the intent or meaning of such a Plan nor did he rely on any representations made by the Agent pertaining to the applicable Plan. (This paragraph supersedes paragraph 21 hereof only when the property being sold is in the City of Rockville.)

23. NOTICE AND DISCLOSURE OF AVAILABILITY OF SEWAGE DISPOSAL SYSTEM AND DESIGNATED AREAS (MONTGOMERY COUNTY, MARYLAND ONLY).

a. Notice is hereby given, pursuant to the Montgomery County Code, to the prospective purchaser of the obligation of the seller, or his duly authorized agent, to disclose to the purchaser any information known to the seller as to whether the property is connected to, or has been authorized for connection to, a community sewerage system, and if not, whether an individual sewage disposal system has been constructed on the property, whether an individual sewage disposal system has been approved by the county for such property, or whether the property has been disapproved by the county for the installation of an individual sewage disposal system.

b. The purchaser hereby acknowledges that, prior to entering into this contract of sale, seller or his duly authorized agent, provided the above information, as known to the seller or his agent.

c. If an individual sewage disposal system has been or is to be installed upon this property, and if said property is located in a subdivision, and if purchaser received a copy of the subdivision record plat, as provided in Paragraph 20 above, purchaser indicates that he has reviewed the said record plat, including any provisions thereon with regard to areas restricted for the initial and reserve well locations and the individual sewer disposal systems, and the restricted area in which construction of the building to be served by the individual sewage disposal system is permitted.

24. TERMITE INSPECTION. Prior to the time of settlement, Seller shall order termite inspection and no later than the time of settlement, Seller shall pay the cost of termite inspection and provide to Purchaser a written certification from a licensed exterminator that, based upon a careful visual inspection of accessible areas of the house, there is no evidence of infestation of termites or woodboring insects. If such infestation exists, Seller is to exterminate. Seller at his own expense and prior to settlement shall repair any prior or current visible damage caused by termites or woodboring insects.

25. GENERAL FINANCING PROVISIONS. (a) In the event that mortgages are used rather than deeds of trust, the word "mortgage" shall be substituted automatically. (b) If contract provides for the assumption of existing trusts, it is understood that the balance of such trusts and the cash down payment are approximate amounts. (c) Trustees in all deeds of trust are to be named by the parties secured thereby. (d) Seller shall allow inspections of all of the premises and furnish any pertinent information required by the Purchaser or his financing agency in reference to obtaining a loan commitment. (e) Purchaser placing financing agrees to make application immediately and file all necessary papers that are required to complete processing and agrees that failure to do so shall give the Seller the right to declare the deposit forfeited or avail himself of any legal or equitable rights as provided in the paragraph labeled "FORFEITURE OF DEPOSIT/LEGAL REMEDIES."

26. VA LOAN. In the event that the Purchaser is placing a Veterans Administration guaranteed loan, the Veteran Purchaser's deposit shall be placed in an escrow account as required by Title 38, US Code, Section 1806. It is expressly agreed that, notwithstanding any other provisions of this contract, the Purchaser shall not incur any penalty by forfeiture of earnest money or otherwise or be obligated to complete the purchase of the property described herein, if the contract purchase price or cost exceeds the reasonable value of the property established by the Veterans Administration or the Purchaser is not approved by the Veterans Administration and the lending institution. In the event the Certificate of Reasonable Value is less than the amount of the contract price the Purchaser shall have the privilege and option for five days after receipt of the VA appraisal to proceed with the consummation of this contract without regard to the amount of reasonable value established by the Veterans Administration by giving the Seller notice of his intention to do so by the method provided in Paragraph 29 hereof. In the event that he shall not so elect, then the Seller shall have the privilege and option of reducing the contract price to the VA appraised value. This option must be exercised by the Seller, within seven (7) days after delivery to the Purchaser of the VA appraisal, by giving the Purchaser notice of his intention to do so by the method provided in Paragraph 29 hereof. If the Seller elects to reduce the contract price to the appraised valuation, the Purchaser covenants and agrees to be bound to proceed with consummation hereof at the appraised valuation price. If the Seller does not elect to reduce the price after the Purchaser's refusal to consummate this contract at its full price, then this contract shall be null and void. This contract is contingent on the approval of the house and the Purchaser by the Veterans Administration and the lending institution. If the aforesaid approval is not obtained, it is expressly agreed that the Purchaser shall be refunded his deposit, and the contract shall be null and void.

27. FHA/VA/CONV/GPC REQUIREMENTS. If FHA, VA, CONV or GPC financing is being placed herein, any outstanding sewer and water tap fees shall be paid in full by the Seller if said Agency or lending institution requires payoff of such fees as a condition of financing. Seller agrees to comply with reasonable FHA, VA, CONV or GPC requirements or repairs where applicable.

28. CONSUMER REPORT AUTHORIZATION. The Purchaser hereby authorizes the Agent to disclose to the Seller or any lender the credit information provided to the Agent by the Purchaser. In the event that terms of this contract require the Seller to take back financing from the Purchaser, and Seller desires to obtain a Consumer Report (Credit Report) regarding the Purchaser, Seller must notify listing Agent within five (5) days of the date of ratification of this contract, in writing, that the Agent is authorized and directed to order said report. In the event such a report is ordered within the stated time period, then this contract of sale shall be contingent upon approval of a satisfactory Consumer Report (Credit Report) by the Seller within five (5) days after receipt of said report by Seller. If Seller does not approve the credit standing of the Purchaser, Seller shall notify the listing Agent in writing within the five (5) days after receipt of the report of his rejection of the Purchaser's credit. In that event, this contract shall be null and void and deposit returned to the Purchaser. Failure to notify the listing Agent of the rejection of the Purchaser's credit within the time provided shall constitute a waiver of the benefits of this provision and/or an approval of the Purchaser's credit. Additionally, if Seller shall fail to order the said report within the five (5) days following date of ratification of this contract, Seller waives the benefits provided in this paragraph. The Purchaser hereby authorizes the Agent to order and obtain a Credit Report from a credit reporting agency to be used in connection with this transaction whereby the Purchaser has applied for an extension of credit. Further in the event the Agent is acting on behalf of a Creditor, Seller or other party directly or indirectly affected by this transaction, the Purchaser hereby authorizes the Agent to forward all or any portion of the information contained in the said report to the Creditor, Seller, or any other party directly involved. The cost of said report is to be borne by the Purchaser.

29. NOTICES. Notices required to be given to Seller by this contract shall be in writing and effective as of the date on which such notice is delivered to one of the Agents of the Seller named in Paragraph 9 hereof at the principal place of business of said Agent(s). Notices required to be given to Purchaser by this contract shall also be in writing and effective when delivered to Purchaser or left at Purchaser's address as shown on page one hereof.